



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: GP Industries Limited

Security: GP Industries Limited

Meeting details:

Date: 30 July 2018

Time: 3.30 p.m.

Venue: Marina Mandarin Singapore, Taurus, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594

Company Description

GP Industries Limited, an investment holding company, develops, manufactures, markets, and retails electronic and acoustic products in Asia, Europe, America, and internationally. It operates through four segments: Electronics and Acoustics, Automotive Wire Harness, Batteries, and Other Industrial Investments. The company provides professional electronic products, including portable public address systems, professional amplifiers, mixing controllers, and subwoofers for professional and commercial applications; home electronic products comprising audiophile home amplifiers, home CD players, surround sound home theatre systems, and multi-media amplifier systems; and battery chargers. It also offers loudspeakers under the KEF and CELESTION brand names; aluminum face plates and heat sink components for computer and consumer electronic products; and plastic and metal cabinets. In addition, the company designs, manufactures, and markets automotive wire harness; and develops, manufactures, and markets batteries and battery-related products to original equipment manufacturers, battery companies, and consumer retail markets under the GP brand. Further, it manufactures transformers and switching mode power supply products; markets and trades in parts and components, and personal hygienic and health care products; and provides logistic support services. Additionally, the company engages in the holding of trademarks and intellectual properties; and manufacture of audio and speaker systems, and electronic and network cables. The company was formerly known as GPE Industries Limited and changed its name to GP Industries Limited in June 2000. GP Industries Limited was incorporated in 1995 and is based in Singapore. GP Industries Limited is a subsidiary of Gold Peak Industries (Holdings) Limited.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=G20)

1. As noted in the Chairman's Statement, the group carried out a corporate streamlining exercise by making a voluntary conditional cash offer to acquire outstanding ordinary shares of GP Batteries International Limited that was completed in December 2017.

(i) Has the integration of GP Batteries, if any, been completed?

The group has stated that:

The privatisation of GP Batteries has simplified the management structure of the Group's businesses, providing more agility and flexibility to the Group in the rapidly changing business environment today.

(ii) Can management help shareholders understand the impact in terms of compliance costs, management time and other non-financial factors?

(iii) What are the expected cost savings going forward in the new financial year when the integration of GP Batteries is fully completed?

(iv) With the agility and flexibility gained by the group, what are the opportunities available to the group in the near (2-3 years) term?

2. Would the board/management help shareholders better understand the operations of the group? Specifically:

(i) Batteries: The group generated 75% of its revenue from the sale of batteries. The group's battery business includes primary specialty, primary cylindrical, rechargeables and others, and there are different market dynamics in the sub-segments such as the intense competition in the Nickel Metal Hydride rechargeable batteries segment and the strong demand of miniature Lithium rechargeable batteries (due to increasing consumer demand for Internet of Things (IoT) and wearable electronics). **To help shareholders understand the opportunities and the challenges faced by the group, can management provide a more detailed breakdown of battery sales by type and the opportunities, growth drivers and challenges in each sub-segment?**

(ii) Automotive Wire Harness: With the shifting of the group's focus to China, does the group expect to gradually scale down and exit the US market? What are the competencies in the group to allow it to successfully develop and market more sophisticated wire harness technologies for modern automotive electronic control systems and electric vehicles? How much will the group be investing on its research and development efforts to develop the sophisticated wire harnesses?

3. As noted in the Corporate Governance Statement, both Mr Lim Ah Doo and Mr Lim Hock Beng have served on the board for more than nine years from the date of their respective first appointment.

As recommended by Guideline 2.4 of the 2012 Code of Corporate Governance, the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

- (i) Can the nominating committee (NC) explain in greater detail if a particularly rigorous review was carried out to assess the independence of the directors who have served on the board for more than nine years?**

Mr Lim Jiew Keng and Mr Goh Boon Seong were appointed an Independent Non-executive Director since 1 January 2018.

- (ii) Following the appointments of these two directors on 1 January 2018, can the board elaborate further on its other near-term plans to refresh the board membership progressively and in an orderly manner, to avoid losing institutional memory?**
- (iii) Can the nominating committee and the board disclose the deliberations they had on the review on the board's size and composition having regard to especially the diversity of skills, experience, gender and knowledge of the directors as a group?**